

MINUTES
OF THE
GOVERNMENT CONTRACT
REVIEW COMMITTEE

May 17, 1999

The Government Contract Review Committee met on Monday, May 17, 1999 at 9:30 AM, in Room 125 of the Capitol Annex. Representative Brent Yonts, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Brent Yonts, Chairman; Representatives Bob Heleringer and Kathy Stein; and Senators Marshall Long and Dick Roeding.

Guests: Dennis Boyd, John Walker, Dwayne Dringenburg, Richard Hiney, Henry Spaulding, William Bailey, and Rex Hunt.

LRC Staff: Michael Meeks, Joseph Hood, Kim Eisner, and Nancy Smith.

A motion was made by Senator Long and seconded by Representative Heleringer to approve the Minutes of the April 13, 1999, meeting. The motion passed unanimously.

A motion was made by Senator Long and seconded by Representative Heleringer to approve the Routine Contract List. The motion passed unanimously.

A motion was made by Senator Long and seconded by Senator Roeding to approve the Amendment List with the exception of #29, between Cabinet for Health Services and Sapient Corporation, PS# 990156; #30, between Cabinet for Health Services and University Health Care, Inc./ Region 3 Partnership Council, PS# 990087; and #31, between Cabinet for Health Services and Region 5 Managed Care Organization. The motion passed unanimously.

A motion was made by Senator Long and seconded by Representative Heleringer to approve the Routine K.A.P.S. List. The motion passed unanimously.

A motion was made by Senator Long and seconded by Senator Roeding to approve the K.A.P.S. Amendment List. The motion passed unanimously.

A motion was made by Senator Long and seconded by Representative Heleringer to approve the Routine Memoranda of Agreement List. The motion passed unanimously.

A motion was made by Senator Long and seconded by Senator Roeding to approve the Memoranda of Agreement Amendments List. The motion passed unanimously.

The following ROUTINE contracts
were APPROVED:

ATTORNEY GENERAL, OFFICE OF THE:

Susan D. Samuel, 000022.

BOARD OF MEDICAL LICENSURE:

KY Medical Association, 000003; KY Physicians Health Foundation, 000009.

EASTERN KENTUCKY UNIVERSITY:

Heather Weiss, 99-172; Family Interventions of KY/Bill Barrett, 99-175; Fotena Zirps, 99-161.

FINANCE AND ADMINISTRATION CABINET - Division of Engineering:

NBBJ East Limited Partnership, 995454; Omni Architects, 995452; Lucas Schwering Architects, 995461; Collignon & Nunley, 995459; Heery International, 995453.

KENTUCKY EDUCATIONAL TELEVISION:

Potter & Company LLP, 000010.

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY:

Bert David Cox, HEA 926 and HEA 925; Gordon, Silberman, Wiggins, and Childs, HEA 922.

KENTUCKY HOUSING CORPORATION:

Homeless and Housing Coalition of KY, Inc., 99-8.

KENTUCKY LOTTERY CORPORATION:

Bearden Group, 00-95-060; Redmond Technologies, Inc., 00-97-272-1; Tru-Service Network, Inc., 99-97-105; MULTI (Advertising Production), 00-100; Keane, Inc., 00-97-272-2; Belo Kentucky, Inc., 00-94-041; Crowe, Chizek and Company LLP, 00-98-173; Personal Opinion, Inc., 00-97-300; WTS, Inc., d/b/a Carlson Wagonlit Travel, 00-98-156; DOE Anderson Advertising Agency, 00-96-047.

KENTUCKY RETIREMENT SYSTEMS:

Geoffrey B. Greenwalt, 200015; Chadwick, Saylor & Company, Inc., 200010; Horace W. Addams M.D., 200017; William P. McElwain M.D., 200019; John T. Rawlings M.D., 200020; Alliance Capital Management L. P. , 200005; William M. Mercer

Investment Consulting, 200004; 200002; Farmers Bank & Capital Trust, 200003; Lincoln Capital Management Company, 200006; Weaver C. Barksdale & Associates, Inc., 200009; Esten S. Kimbel M.D., 200018; Prentice A. Harvey, 200016; Paul F. Fauri, 200014; Robert D. Klausner, P.A., 200013; Northern Trust Quantitative Advisors, 200008; Charles T. Mitchell Company, 200001; Heitman Capital Management Corporation, 200011; National Asset Management Corporation, 200007; Stoll, Keenon & Park, LLP, 200012.

KENTUCKY STATE FAIR BOARD:

William M. Munford, Jr., 000011; David H. Snowden, 000012.

KENTUCKY STATE UNIVERSITY:

Educational Credit Services, 99-18.

KENTUCKY TEACHERS' RETIREMENT SYSTEM:

Brinson Partners, 009010; National Asset Management Corporation, 009007 and 009013; Farmers Bank & Capital Trust Company, 009006; ICS/Choicepoint, 009005; Charles T. Mitchell Company, 009003; Wellington Management Company, 009011 and 009012; Buck Consultants Inc., 009002; Beaker, Burke Associates, 009009; Todd Investment Advisors, 009001.

MILITARY AFFAIRS:

Security Consultant Group, 990410.

MOREHEAD STATE UNIVERSITY:

Comprehensive Computer Services, Inc., 99-091; Alexander Haas Martin and Partners, 99-103; Morehead Clinic, 00-001.

MURRAY STATE UNIVERSITY:

Howard K. Bell, Consulting Engineers, Inc., 023-99-2.

NORTHERN KENTUCKY UNIVERSITY:

RuffaloCody, 99-351.

TOURISM DEVELOPMENT CABINET:

Partners & Associates, 990398.

TRANSPORTATION CABINET:

Qore Property Sciences, Ag# 569899; Karen Lutz-Skaggs, 990567; Vaughn & Melton Consulting Engineers, Ag# 539899; Logsdon Realty & Consulting, Inc., 990565; E A Partners, Ag# 529899; Presnell Associates, Inc., Ag# 519899; American Engineers, Inc., 990569; Wade L. Whitefield, 990568; Fuller, Mossbarger, Scott & May Engineers, Inc., Ag# 549899; Florence & Hutcheson, Ag# 579899.

TREASURY DEPARTMENT:

Bennett Bayer, 990411.

TURNPIKE AUTHORITY OF KENTUCKY:

Arbitrage Compliance Specialists, Inc., 000007; York, Neel & Company, 000006; Peck, Shaffer & Williams, 000008.

UNIVERSITY OF KENTUCKY:

Fleming Associates, K99-167; Deloitte & Touche, K00-101; Alliance Systems & Programming, K99-166; Deloitte & Touche, K00-101.

UNIVERSITY OF LOUISVILLE:

Dey Systems, Inc., 00-1.

WESTERN KENTUCKY UNIVERSITY:

Baird Kurtz & Dobson, 55-98; 05-99; MULTI (Advanced Placement), 53-98; 1-99; MULTI (Gifted Studies), 02-99.

WORKER'S COMPENSATION FUNDING COMMISSION:

Sanford C. Bernstein & Company, 990408.

WORKFORCE DEVELOPMENT CABINET:

John G. Turner, 000015; Virginia DeGuzman, 000016; Susan Miller, 000014.

The following AMENDMENTS

were APPROVED:

ATTORNEY GENERAL, OFFICE OF THE:

Tichenor & Associates, 990332; Kamuf, Yewell & Pace, 990056.

CLAIMS, BOARD OF:

Peter F. Ervin, 990074; Kathleen K. Schell, 990073.

EASTERN KENTUCKY UNIVERSITY:

Stanley A. Stratford, 99-015; John Bugbee, 99-040; Jeanni Duncan, 99-059; Chadwick Duncan, 99-068; Family Connection at Foust, 99-066; Hardy & Carey, L.L.P., 99-102; Nancy Cunningham, 99-142; James Hale, 99-136; TAMCO, 99-119.

ECONOMIC DEVELOPMENT CABINET:

McBrayor, McGinnis, Leslie & Kirkland, 990113.

FINANCE AND ADMINISTRATION CABINET - Division of Engineering:

E. R. Ronald & Associates, 995405; Luckett & Farley, Inc., 995330 and 995279; Myers Jolly Architects, 995362; Omni Architects, 995310; Biagi Chance Cummins

London, Titzer, 995274; Jerry A. Taylor & Associates, 995424; Brighton Environmental Co., 985062; James B. Evans & Associates, 985095; Sherman-Carter-Barnhart, 985149; Peck Flannery Gream Warren, Inc., 965058.

GOVERNOR, OFFICE OF THE:

Virginia Weber Denny, 990184; W. Mark Manuel, 990183.

HEALTH SERVICES, CABINET FOR:

MULTI - Impact Plus Providers, 990123; MULTI - First Steps, 90177.

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY:

KPMG Peat Marwick, 911.

KENTUCKY LOTTERY CORPORATION:

Pinkerton's Inc., 99-97-250; JoAnne Wolfe, 99-97-106.

KENTUCKY REAL ESTATE COMMISSION:

Core Systems Development, Inc., 990199.

KENTUCKY RETIREMENT SYSTEMS:

Chadwick, Saylor & Company, 990015; Stoll, Keenon & Parks, 990014.

NORTHERN KENTUCKY UNIVERSITY:

General Revenue Corporation, 99-265-2; National Center for Higher Education Management Systems, 99-345.

PERSONNEL CABINET:

William M. Mercer, 990261.

PUBLIC PROTECTION AND REGULATION CABINET -

Department for Financial Institutions:

Goldberg & Simpson, 990189; Brown, Todd & Heyburn, 990188.

TOURISM CABINET:

Creative Alliance, 990026.

TRANSPORTATION CABINET:

Balke Engineers, Ag# 508687, Ag# 149798 and Ag# 119192; Willie Prater, 5373; R. F. Link, SRPA, 7293; American Consulting Engineers, PLC, Ag# 219596 and Ag# 088687; Cultural Resource Analysts, Inc., Ag# 379495; George Joseph Hays, 5363; Quest Engineers, Inc., Ag# 619394; Robert E. Knight, 5364; Johnson, Depp & Quisenberry, Ag# 559596; Paul R. Houlihan, 7292; H. E. Rudy Consulting Engineers, Ag# 539394; Wilbur Smith & Associates, Ag# 338485 and Ag# 469798; Presnell Associates, Ag# 129394;

Dixon Nunnery, 5374; Commonwealth Technology, Inc., Ag# 169394; Municipal Engineering Company, Ag# 179697; HNTB Corporation, Ag# 309697 ; Brown, Todd, & Heyburn, PLLC, 970763 and 981256; E A Partners, Ag#049798; Bernardin, Lochmueller & Associates, Ag# 239798; WMB, Inc., Ag# 099798; Edward L. Beck, 960179; Reed, Weitkamp, Schell & Vice, 980888; Palmer Engineering Company, Ag#129798; Hazelrigg & Cox, 980639.

UNIVERSITY OF KENTUCKY:

Luckett & Farley, Inc., A981050.

UNIVERSITY OF LOUISVILLE:

A. Lynn Harding, 99-47.

WESTERN KENTUCKY UNIVERSITY:

Kerrick, Grise and Stivers, 11-98.

The following ROUTINE K.A.P.S. CONTRACTS

were APPROVED:

EDUCATION, DEPARTMENT OF:

Kr Consulting Inc, PS005002; National Center For Public Ed, PS995446.

FAMILIES AND CHILDREN, CABINET FOR:

Banks, Marsha K, PS991232.

HEALTH SERVICES, CABINET FOR:

Morgan And Pottinger, PS995398; Columbus Medical, PS995428; Deters Benzinger Lavelle, PS995439; Kuvn And Dennis Public, PS995458; Kustra, Kathleen B, PS995460.

INFORMATION SYSTEMS, DEPARTMENT OF:

Strategia Corp., PS995451.

The following K.A.P.S. AMENDMENTS

were APPROVED:

CORRECTIONS, DEPARTMENT OF:

Counseling Center Inc, PS995087 CO035938.

EDUCATION, DEPARTMENT OF:

Voyageur, PS995377 CO036114.

FAMILIES AND CHILDREN, CABINET FOR:

Opportunity Workshop, PS995346 CO035867.

FINANCE AND ADMINISTRATION CABINET:

Wyatt Tarrant And Combs, PS995112 CO036236.

HEALTH SERVICES, CABINET FOR:

Knox, Barbara J, PS995076 CO036346; Iadarola, Brian, PS995126 CO035311; Deloitte And Touche, PS995140 CO036204; Price Waterhouse Coopers, PS995212 CO036462.

The following ROUTINE MEMORANDA OF AGREEMENT
were APPROVED:

AGRICULTURE:

Central Kentucky Growers, Inc., 21732; Cumberland Farm Products Association, 21757; KY Agriculture & Environment in the Classroom, 21761; Green River Produce Marketing Cooperative, 21912; Partners for Family Farms, 21917; Eastern KY Vegetable Producers Association, 21918; Kentucky State Horticulture Society, 22057.

EDUCATION, DEPARTMENT OF:

Clay County, 21724; Christian County Schools, 21895; Covington Independent, 21882; Bell County Schools, 21828; Boone County, 21725 and 21883; Fayette County Public Schools, 21894; Franklin County Schools, 21767; Grayson County Schools, 21799; Henderson County Schools, 21897; Johnson County, 21723; Jessamine County Schools, 21898; Kentucky Community Education Association (KCEA), 21899; Kenton County Schools, 21766 and 22010; Knox County Schools, 21768, 21840, and 22012; Lawrence County Schools, 21900; Pike County Schools, 21717 and 21999; Pulaski County Schools, 21896; Floyd County, 21948; Perry County, 22002; McCreary County, 22003; Owensboro Independent, 22007; Jefferson County, 22011; Harlan County Schools, 22013; Ohio Valley Educational Cooperative, 22025; Whitley County Schools, 22026; Covington Independent Schools, 22029; Lincoln County Schools, 22030; Letcher County Schools, 22060; Laurel County Schools, 22061; Breathitt County Schools, 22062; Pike County Schools, 22063; Rowan County Schools, 22341; Hardin County Schools, 22342; Community Action of Southern Kentucky, 22343; Larue County Schools, 22346.

FINANCE AND ADMINISTRATION CABINET:

Warren County, 22034.

LOCAL GOVERNMENT, DEPARTMENT FOR:

Clark County, DLG21762; City of Mt. Sterling, DLG21763; Shelby County, DLG21764; Oldham County, DLG21904; City of Russellville, DLG21905; Jessamine County Courthouse, DLG21922; City of Loretta, DLG21923; City of Bellevue, DLG22016; Boone County, DLG22020; City of Dawson Springs, DLG22021; City of Elkton, DLG22022; Taylor County, DLG22023; Knott County, DLG022; DLG023.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET:

Jessamine County Fiscal Court, 21709.

WORKFORCE DEVELOPMENT:

Department for Employment Service, 22031.

The following MEMORANDA OF AGREEMENT AMENDMENTS
were APPROVED:

AGRICULTURE:

Division of Water, 17730.

EDUCATION, DEPARTMENT OF:

Ohio Valley Education Cooperative, 19463L-1 and 19463M-1; Hancock Co. Board of Education (Bobbie Pullen), 19564; Pike County Board of Education (Jeffrey May), 19596; Fayette County Schools (Robert Murray), 19597; (Debbie W Waggoner), 19622; Knott Co. Board of Education (Cessie Bentley), 19608; (Afo Jean Jacobs), 19647; Bullitt Co. Board of Education (Linda Littlejohn), 19652; Jefferson County Public Schools, 21451; Dr. Bonnie Marshall, 21483.

FAMILIES AND CHILDREN, CABINET FOR:

Bell County Schools, 19584; Danville Independent Board of Education, 19670; Jefferson County Board of Education, 19843; Office of Carlisle County Attorney, 19920; Office of Ballard County Attorney, 19935; Office of Logan County Attorney, 19948; Office of Warren County Attorney, 20004; Office of Russell County Attorney, 20006; Office of Woodford County Attorney, 20011; Office of the Anderson County Attorney, 20039; Office of Powell County Attorney, 20057; Office of Trigg County Attorney, 20058; Office of the Todd County Attorney, 20094; Lake Cumberland Community Services Organization, 20175; Covington Independent Board of Education, 20245; Office of Butler County Attorney, 20282; Office of Henderson County Attorney, 20284; Office of Webster County Attorney, 20290; Community Action Lexington - Fayette, Bourbon, Har, 20318; Office of Graves County Attorney, 20340; Leslie, Knott, Letcher, Perry Co. Community Action, 20399; Office of Breathitt County Attorney, 21387.

HEALTH SERVICES, CABINET FOR:

Cumberland Valley ADD, 19860; University of Kentucky Research Foundation, 19932

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET:

Jessamine County Fiscal Court, 20730; City of Owensboro, 17659; Shelby County Fiscal Court, 18960; Greenup County Fiscal Court, 19246; USDA - Natural Resources Conservation Service, 20455; Harlan County Fiscal Court, 21148; Kentucky State Nature Preserves Commission, NREPC0073; Thoroughbred RC and D Council, NREPC0075.

WORKFORCE DEVELOPMENT CABINET:

Office of Training & Re-employment, 21348.

The following AMENDMENTS were PULLED
from the AMENDMENT list:

CABINET FOR HEALTH SERVICES:

Sapient Corporation, PS 990156.

Mr. John Walker, Mr. Dennis Boyd, and Mr. Dwayne Dringenburg, Cabinet for Health Services, discussed the amendment with the committee. A motion was made by Representative Stein and seconded by Senator Long to approve the amendment. The motion passed unanimously.

University Health Care, Inc./Region 3 Partnership Council, PS 990087.

Mr. John Walker, Mr. Dennis Boyd, and Mr. Rich Heine, Cabinet for Health Services, discussed the amendment with the committee. A motion was made by Senator Long and seconded by Representative Stein to approve the amendment. The motion passed with Senator Roeding voting NO.

Region 3 Managed Care Organization, PS 990086.

Mr. John Walker, Mr. Dennis Boyd, and Mr. Rich Heine, Cabinet for Health Services, discussed the amendment with the committee. A motion was made by Senator Long and seconded by Representative Stein to approve the amendment. The motion passed with Senator Roeding voting NO.

The following CONTRACT was DEFERRED
from the APRIL 14, 1999 meeting:

WESTERN KENTUCKY UNIVERSITY:

Public Administration Service, PS 47-98.

No representative of the university was in attendance, therefore a motion was made by Senator Long and seconded by Representative Heleringer to defer the amendment until the June meeting of the committee. The motion passed unanimously.

The following CONTRACT was RECONSIDERED:

TRANSPORTATION CABINET:

Stephen C. Sanders, PS 990319.

Mr. Henry Spaulding and Mr. William Bailey, Railroad Commission, discussed the contract with the committee. A motion was made by Senator Long and seconded by Representative Heleringer to approve the contract. The motion passed unanimously.

COMMITTEE DISCUSSION

Senator Long stated that after looking through the contracts, it appeared that amendments to the Architectural and Engineering contracts keep increasing with no end in sight. His concern was that contracts were purposely being negotiated low, the scope of work thereafter changed, and the contract increased by way of amendments to the contracts.

He asked the general question as to whether anyone in the Finance and Administration Cabinet was keeping a close watch on these contracts, and he requested that someone report to the committee at the next meeting. Mr. Rex Hunt stated these were unique contracts, and that he would like to provide the committee with an overview of these particular contracts and how amendments are derived.

Chairman Yonts stated that there was a proposed policy for the committee to consider relating to Multiyear Government Contracts. Michael Meeks stated that the policy change would specifically allow Multiyear contracts within the biennium. If the contract was entered into the first year, then the agencies would be able to use a short form to renew that contract for the second year of the biennium. The policy also addresses a requirement of KRS 45A.145, requiring the chief financing officer or purchasing officer to make certain verifications and statements. A motion was made by Senator Long and seconded by Representative Stein to approve the policy. The motion passed unanimously.

The meeting adjourned at 10:45 a.m.